Bank Products & ERO Funding

Homework Worksheet - Multiple Choice

Choose the best answer for each question.

1. What are bank products?

A. Optional financial products offered through third-party banking partners

B. Required IRS filing products

C. Tax software licenses

D. State tax permits

2. What is a Refund Transfer?

A. A product that allows preparation fees to be deducted from the taxpayer's refund

B. A guaranteed taxpayer loan

C. An EFIN application

D. A payroll product

3. Who makes approval decisions for Refund Advances?

A. The ERO

B. The taxpayer

C. The participating bank

D. The IRS

4. What should an ERO never do regarding a Refund Advance?

A. Explain disclosures

B. Tell the client the bank determines eligibility

C. Guarantee approval

D. Explain that not everyone qualifies

5. What happens after the bank receives refund proceeds in a Refund Transfer?

A. Preparation fees are deducted

B. The EFIN is renewed

C. A PTIN is issued

D. The taxpayer applies for an EIN

6. Which is a consideration when offering a Refund Transfer?

A. Bank fees may apply

B. No disclosures are needed

C. The product is mandatory

D. Approval is guaranteed

7. Which statement should an ERO use when discussing a Refund Advance?

A. You are approved

B. The bank will determine eligibility

C. Everyone qualifies

D. The IRS guarantees the loan

8. Refund Advantage ERO Loans are designed primarily for whom?

A. Qualified ERO businesses

B. Taxpayer dependents

C. IRS employees

D. State agencies

9. Which is a possible business use of ERO funding in this module?

A. Marketing

B. Hiring staff

C. Technology upgrades

D. All of the above

10. What is an ERO Loan NOT described as in this module?

A. Business funding

B. A client Refund Advance

C. A product for qualified EROs

D. Funding that may support operations

11. In the Simply Paid example, what happens after the IRS acknowledges the return?

A. SBTPG advances a portion of the preparation fee

B. The EFIN is suspended

C. The taxpayer receives a guaranteed refund

D. The return is amended

12. What is one purpose of in-season funding?

A. Improve cash flow while returns are being filed

B. Replace all business planning

C. Guarantee bank product approvals

D. Eliminate office expenses

13. How should funding be viewed?

A. As free money

B. As a business tool

C. As guaranteed revenue

D. As a substitute for budgeting

14. Which is a cash-flow best practice?

A. Create a seasonal budget

B. Ignore weekly expenses

C. Avoid keeping reserves

D. Spend funding immediately

15. Which is a smart use of business funding?

A. Staff expansion

B. Impulse spending

C. Personal luxury purchases

D. Unplanned personal expenses

16. What is the leadership principle for using funding?

A. Funding should generate future revenue

B. Funding should be used primarily for personal spending

C. Funding removes the need for compliance

D. Funding should replace planning

17. Which area may a banking partner review?

A. Return accuracy

B. Documentation

C. Funding rates

D. All of the above

18. Which practice supports a strong banking relationship?

A. Respond promptly to inquiries and follow program guidelines

B. Ignore requested documentation

C. Avoid monitoring performance

D. Skip compliance reviews

19. What do funding rates measure?

A. How many returns successfully fund through bank products

B. How many employees are hired

C. How many offices are opened

D. How many PTINs are renewed

20. What is the best overall funding strategy according to the module?

A. Planning, compliance, and responsible growth

B. Borrow as much as possible

C. Replace sound business planning with funding

D. Guarantee every client a loan

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Homework Answer Key

1. A - Optional financial products offered through third-party banking partners

2. A - A product that allows preparation fees to be deducted from the taxpayer's refund

3. C - The participating bank

4. C - Guarantee approval

5. A - Preparation fees are deducted

6. A - Bank fees may apply

7. B - The bank will determine eligibility

8. A - Qualified ERO businesses

9. D - All of the above

10. B - A client Refund Advance

11. A - SBTPG advances a portion of the preparation fee

12. A - Improve cash flow while returns are being filed

13. B - As a business tool

14. A - Create a seasonal budget

15. A - Staff expansion

16. A - Funding should generate future revenue

17. D - All of the above

18. A - Respond promptly to inquiries and follow program guidelines

19. A - How many returns successfully fund through bank products

20. A - Planning, compliance, and responsible growth